

## Message Text

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13-15

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 PA-01

PRS-01 /080 W

----- 092108

R 291815Z JAN 76

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2681

INFO DEPT OF TREASURY WASHDC

AMEMBASSY BRASILIA

LIMITED OFFICIAL USE MEXICO 1213

E.O. 11652: N/A

TAGS: EFIN MX

SUBJECT: FOREIGN BANK LENDING TO MEXICO

1. THE VARIOUS ARTICLES ON PROBLEMS IN OR WITH THE U.S. BANKING SYSTEM AND CONCERN OVER EXPOSURE AND LENDING TO LDCS SUCH AS MEXICO HAVE RECEIVED CONSIDERABLE PRESS PLAY IN MEXICO, WHICH IS HEAVILY DEPENDENT ON SUCH LENDING.

2. WE HAVE QUERIED THE THREE LARGEST U.S. BANK REPRESENTATIVES ABOUT THEIR ATTITUDES TOWARD LENDING TO MEXICO. THEY ALL DENIED THAT THERE WAS A RED-LIGHT ON LENDING TO MEXICO, AS REPORTED IN CRITTENDEN ARTICLE IN NEW YORK TIMES OF JANUARY 15 AND SUBSEQUENTLY IN MEXICAN PRESS, BUT INDICATED THAT THEIR EXPOSURE IN MEXICO WILL PROBABLY NOT GROW AS FAST IN 1976, AS IN THE PAST TWO YEARS. THEY ALL SAID THEY WERE UNDER THEIR LENDING CEILINGS AT THIS TIME.

3. WE HAVE ALSO SPOKEN TO A NUMBER OF REPRESENTATIVES OF SMALLER U.S. AND OTHER FOREIGN BANKS. WHILE MOST HAVE SAID THEY INTEND TO INCREASE THEIR EXPOSURE THEY INTEND TO

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DO SO WITH FROM SOME TO THE UTMOST CAUTION. SEVERAL

SAID THEY WERE IN THE PROCESS OF RE-EVALUATING MEXICO  
AND THERE WAS A POSSIBILITY THAT ADDITIONAL EXPOSURE  
WOULD NOT EXCEED EXISTING COMMITMENTS.

4. THERE WAS CONSIDERABLE INTEREST IN THE  
OUTCOME OF A FIVE-YEAR 150 MILLION EURO-DOLLAR LOAN FOR  
BANCO DE OBRAS PUBLICAS BEING PLACED THROUGH A CONSORTIUM  
HEADED BY LONDON-BASED LIBRA BANK. APPARENTLY, THIS WAS  
TO HAVE BEEN SOMEWHAT LARGER, AND IS BEING VIEWED AS A TEST OF  
MEXICO'S NAME IN INTERNATIONAL CAPITAL MARKETS.

5. FINANCE MINISTER BETETA RECENTLY TOLD A GROUP OF  
REPORTERS THAT MEXICO HAS BEEN TURNING DOWN LOAN OFFERS.  
THIS IS TRUE, BUT LOCAL BANKERS STILL WONDER IF MEXICO WILL  
BE ABLE TO OBTAIN ALL THE MONEY THAT IT WILL NEED THIS YEAR.  
THUS FAR, WE DO NOT HAVE ANY IMPRESSION THAT GOM IS PARTIC-  
ULARLY WORRIED ABOUT FINANCING ITS CURRENT ACCOUNT DEFICIT  
THIS YEAR, BUT OFFICIALS WERE CONCERNED ABOUT A RECENT  
ARTICLE SUGGESTING THAT GOM IN ARREARS ON ITS DEBT TO USG.  
THIS REPORTED BY TELEPHONE TO TREASURY.

6. ONE BANKER SAID HE THOUGHT MEXICO AND BRAZIL WOULD TRY  
TO MAXIMIZE THEIR BORROWING IN THE FIRST HALF, PARTIALLY  
ON THE ADVICE OF U.S. BANKERS WHO ANTICIPATE A TIGHTENING  
OF U.S. BANK LIQUIDITY IN THE SECOND HALF. THIS BANKER,  
WHO HAD BEEN TRAVELING IN BRAZIL AND MEXICO, ALSO SAID  
HE HAD HEARD THAT THESE TWO COUNTRIES WERE TRYING TO  
COORDINATE THEIR FOREIGN PLACEMENTS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, LESS DEVELOPED COUNTRIES, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MEXICO01213  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760035-0596  
**From:** MEXICO  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 JUL 2004  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FOREIGN BANK LENDING TO MEXICO  
**TAGS:** EFIN, MX, US  
**To:** STATE  
**Type:** TE  
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